

**EXECUTIVE OFFICE OF ECONOMIC DEVELOPMENT  
COMMONWEALTH OF MASSACHUSETTS**

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**Massachusetts Opportunity  
Relocation and Expansion  
(MORE) Jobs Capital Program**  
*2006 – 2007 Program Guidelines*

**Issued by:  
Secretary Ranch Kimball**

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These guidelines are issued by the Secretary of Economic Development pursuant to the authority granted by Chapter 123 of the Acts of 2006, the MORE program legislation. The guidelines are provided to the public and potential applicants for their information only, and are merely intended to provide illustrative guidance to the application procedure. The Secretary reserves the right to amend, modify, or otherwise alter these guidelines as required, without notice. Applicants to the MORE program should refer to the application form or the MORE program coordinator for further information. Nothing in these guidelines shall restrict the Secretary's authority as granted by the MORE legislation.

### **1. Official Authorization:**

*1100-8000 For the Massachusetts Opportunity Relocation and Expansion Jobs Capital Program related to site remediation, preparation and ancillary infrastructure improvement projects; provided that the local executive government body and a for-profit entity involved in the project shall jointly submit a request for funding to the secretary of economic development; and provided further, that not less than \$10,000,000 shall be used for a bio-processing facility at, or near the University of Massachusetts at Dartmouth, or on behalf of a chapter 180 corporation established pursuant to section 108 of this act, subject to the discretion of the president of the University of Massachusetts. The requests to the secretary shall include sufficient documentation, including but not limited to, a project plan with specific goals and objectives that fully documents the proposed project and either that (i) the businesses associated with the project will generate substantial sales from outside the commonwealth and will result in the creation of a net increase of at least 100 new permanent full-time jobs in Massachusetts within 24 months upon receipt of a grant and commits that the jobs are to be maintained herein for at least a five year period or (ii) documents an economic benefit that the secretary determines is sufficiently exceptional. The secretary shall, not later than December 31, 2006 promulgate regulations or issue guidelines regarding the proposed program described herein; provided further, that annually on or before December 31, the secretary shall issue a written report to the clerk of the house of representatives and the clerk of the senate, which shall include detailed descriptions of any infrastructure improvement projects funded pursuant to this program and all funds expended for this purpose..... \$100,000,000*

## **2. Program Description**

The Massachusetts Opportunity Relocation and Expansion (MORE) program provides grant funding to support public infrastructure(s) associated with economic development projects that support substantial job growth in the Commonwealth of Massachusetts.

## **3. Eligible Applicants**

Eligible applicants are municipalities and for-profit entities throughout the Commonwealth of Massachusetts that are partnering for the purposes of applying to the MORE Program.

## **4. Eligible Economic Development Projects**

The Executive Office of Economic Development may, upon the Secretary of Economic Development's determination, award funding to municipalities in order to assist with the costs of developing publicly owned infrastructure that supports eligible economic development projects (e.g. expansion of existing facilities, relocation of facilities, etc.).

*An eligible economic development project must:*

- a) Result in the creation of a net increase of at least 100 new permanent full-time jobs on one site in Massachusetts within 24 months after the final grant payment has been received. No position shall be considered permanent unless it is maintained in Massachusetts for at least 5 years.
- a) Result in the generation of substantial sales from outside the Commonwealth by the participating for-profit entity.
- b) Or result in an economic benefit the Secretary determines as exceptional.<sup>1</sup>

Applicants are reminded that these criteria are threshold and should be considered as minimums. Applications that convincingly demonstrate that they will create a greater number of jobs, greater permanency, and/or substantial economic or other public benefit as determined by the Secretary will be considered more competitive than those that offer only the required minimum.

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<sup>1</sup>The provision for projects that offer "exceptional" economic benefits is intended to provide the Secretary with an opportunity to seize unanticipated and unusual opportunities. Examples might be projects that will create new industries that offer greater long term growth or projects that support other state investments. The decision to accept projects under this provision is solely within the Secretary's discretion, any applications made under this section will be carefully scrutinized, and any grants awarded under this section will be closely monitored.

*The only eligible activities for funding under this program are:*

- a) Construction or improvement of publicly owned infrastructure that is ancillary to the overall economic development project and necessary and appropriate to support the project.
- b) Site remediation or site preparation activities necessary to advance the public infrastructure project.

Eligible publicly owned infrastructure(s) includes, but is not limited to; sewers, utility extension, streets, roads, curb-cuts, and water treatment systems. **Activities on private property and the costs of site acquisition, environmental site assessment, and project management are NOT eligible for funding.**

## **5. Application Requirements**

The application process consists of an initial eligibility application and a final application. Each application consists of two components: a municipal component and a for-profit component. The municipal component and the for-profit component may be submitted separately, but will be reviewed as one joint application.

### **Eligibility Applications**

The purpose of the eligibility application is for the Executive Office of Economic Development to gain a general understanding of both the proposed ancillary public infrastructure project and the economic development project. The eligibility application is brief, but it is important because it sets out the basic facts upon which the applicants assert that the grant is warranted and that the applicants are ready, willing, and able to discharge their responsibilities if the grant is made.

#### *Municipal Component*

In the municipal application, the infrastructure project should be described in enough detail to establish its objective, scope, and estimated costs. The application must clearly state not only the public benefits of the proposed public infrastructure project, but also the relevance of the infrastructure activities to the economic development project. Applicants must show that all activities for which funding is requested, must be necessary and appropriate to the economic development project. Early consultation with relevant state agencies (MassHighway for roadways, MWRA, or regional equivalent for water and sewer, DEP and/or MassDevelopment for brownfields, etc.) is recommended.

In addition, the municipal application must:

- c) Be submitted with the authorization of the local governing body.<sup>2</sup>
- d) Include a detailed explanation of how it will manage the grant to achieve the desired outcomes and how the integrity of the grant will be protected. The municipality will

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<sup>2</sup> *Governing body, in a city having a Plan D or Plan E charter the city manager and the city council and in any other city the mayor and the city council, and in towns the board of selectmen.*

be expected and thus must illustrate its readiness to provide public oversight which will extend as far as the public investment.

- e) Include a project budget outlining estimated costs and timelines which should include but not be limited to the following:
  - a) Reports showing prospective cash flow of grant funds
  - b) A description showing that the ancillary public infrastructure project will have adequate funding for its successful completion if the requested grant funds are provided.
  - c) A description of other sources of public funding being sought or used for the ancillary public infrastructure project, including its uses, cash flow, and estimated amounts. The applicant must also demonstrate how the requirements of each source will be harmonized and met.
  - d) Evidence that the ancillary public infrastructure project is likely to be delayed or significantly compromised if the requested grant funds are not provided.

#### *For Profit Component*

In the for-profit application, the economic development project should be described in enough detail to establish its objective, scope, and timeline. The application must clearly state not only the public benefits of the proposed economic development project, but also the relevance of the public infrastructure activities to the economic development project. If the for-profit applicant is a subsidiary or affiliate of a parent company, the application must be submitted by the parent company.

The for-profit application must:

1. Indicate that the for-profit entity's filing is duly authorized by its Officers and Directors and that the signatory is duly authorized to file the application and represent the for-profit entity.<sup>3</sup>
2. Provide a project plan that details the economic development project's goals, activities, timelines, permitting, and financing objectives for the project. The project plan should sufficiently show that the project will not only meet the specified requirements, but also clearly show that its job creation goals or other economic development benefits will be achieved if the grant funds are provided.
3. Describe how the for-profit applicant will generate substantial sales<sup>4</sup> from outside the Commonwealth

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<sup>3</sup> The scope of the signatory's authority should be provided, together with the reporting structure. If the application is on behalf of more than one private entity (for instance, subsidiaries, holding companies, or other special purpose corporations) a clear explanation of the relationships and roles of each should be provided. In the final application, the chain of corporate, partnership, trust, or other legal authority must be documented, with copies of all relevant documents certified by the Clerk of the Corporation or the equivalent.

4. Provide a proposal showing that the economic development project will result in the creation of a net increase of at least 100 new permanent full-time jobs<sup>5</sup> in Massachusetts no later than 24 months after all grant funds have been received by the municipality, as well as showing that those jobs will be maintained for at least 5 years.
5. Provide a project budget outlining estimated costs and timelines that should include but are not limited to the following:
  - a) A description of all other sources of public funding, being sought to support the economic development project.
  - b) A description showing that the economic development project will have adequate funding for its successful completion if the requested grant funds for the public infrastructure project are provided.
  - c) Evidence that the economic development project is likely to be delayed or significantly compromised if the requested grant funds for the ancillary public infrastructure project are not provided.

### **Final Applications**

The final application, like the eligibility application, is made under “pains and penalties of perjury” and its representations will be integrated into any final grant contract. Applicants are also cautioned that the final application, while similar in scope to the eligibility application, will require clear and convincing evidence of all assertions made in the eligibility application and will ask applicants to provide supporting documentation with respect to matters such as corporate organization, property ownership, costs estimates, etc. The final application must document that the relationship between the public and for-profit entities was formed through an open process which provided the municipality with the best opportunity to advance its economic development goals in alignment with state policies.

As part of the final application an opinion of the municipal counsel will be required certifying that the relationship between the public and for-profit entities was formed in compliance with all applicable laws and regulations. A copy of all documents memorializing the relationship between the public and for-profit applicants must be provided with the final application.

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<sup>4</sup> *The For-Profit entity’s economic development project must generate at least 25 percent of its total annual sales revenue from outside of the Commonwealth of Massachusetts within 24 months after the final grant payment has been received by the municipality.*

<sup>5</sup> *“Permanent full-time employee”, an individual who: (i) is described under the definition of “full-time employee” set forth in section thirty-one C of chapter sixty-three; (ii) at the inception the employment relationship described in clause (i) does not have a termination date which is either a date certain or determined with reference to the completion of some specified scope of work; and (iii) receives employee benefits at least equal to those provided to other full-time employees of the controlling business*

## **6. Application Review Process**

A decision on an applicant's conditional eligibility will be made on the basis of the information provided in the eligibility application. Eligibility applications will be reviewed by staff and an advisory committee with relevant expertise. After careful review of all submissions, a recommendation will be made to the Secretary of Economic Development who will then decide on one of the following outcomes for each application:

1. Applicant's conditional eligibility is confirmed and is asked to submit a final application
2. Applicant's eligibility application is still under consideration and more information is required of the applicant
3. Eligibility of applicant is rejected as presented

Once an applicant's eligibility application is accepted and their conditional eligibility is confirmed, the Executive Office of Economic Development will send the applicants a notice of conditional eligibility. At this time, the applicants will be asked to complete a final application along with supporting documents, and detailed information.

A decision on the final awards will be made on the basis of the information provided in the final application, which can result in one of the following outcomes:

1. Award will be granted
2. Action on the application will be deferred
3. Award is declined on the basis of the information presented

Applicants are urged to advise the Executive Office of Economic Development promptly should any changes to the application occur (including, but not limited to estimated budget, costs, timeline). Applicants have a continuing obligation to update information submitted so that it is accurate. Information submitted as part of the applications will be incorporated into the grant agreement, should the grant be awarded to the applicant. Applicants are urged to consult with program staff well in advance of the deadlines.

## **7. Award and Grant Process**

Awards will be made on a competitive basis at least once a year, subject to funding by the Executive Office of Administration and Finance. The award will be made through a grant agreement that is built on the Commonwealth's standard form contract, along with additional terms and conditions as the Secretary may deem appropriate. Both the for-Profit entity and the Municipality will execute a grant agreement memorializing their respective commitments and obligations. The commitments and representations that the applicant made in securing the grant will be essential conditions of the grant. No grantee will be funded for activities or expenses that occurred prior to the effective dates of the grant agreement.

If any information has changed or is expected to change (either for the economic development project or the ancillary public infrastructure project) the grantees should advise program staff promptly. If a grantee is not ready, willing, and able to spend the grant funds on the eligible activities in accordance with the schedule stated in the application, the Commonwealth reserves the right to reduce, suspend, or cancel the grant. If a project's budget changes, the Commonwealth has no obligation to increase or reprogram grant funds. Grantees should be aware that the effective date of the grant agreement is not the announcement of the award or the signing of an award letter. The grant agreement is not effective until it is signed by the Secretary and accepted by the Comptroller.

Grant funding will be made available to the municipality as a reimbursement for the capital costs of the public infrastructure project (not to exceed the total awarded amount). In order to receive reimbursement, the municipality must submit invoices documenting the completion of work associated with the public infrastructure project. Approval of invoices for reimbursement may be delayed if the program staff believes the report is insufficient or requires further verification. Grantees are reminded that invoices cannot be accepted after the end of the fiscal year in which the activities occurred. Late invoices will not be accepted for payment. No final award will be made and no grant will be issued until adequate documentation has been provided.

## **8. Monitoring Process**

Both the ancillary public infrastructure project and the economic development project will be reviewed periodically to determine its progress towards achieving the public benefits upon which the grant was awarded. Both the municipality and the for-profit entity will be expected to submit quarterly reports detailing progress in job creation, sales revenues, and on the public infrastructure activities being funded.

Grantees will also be expected to cooperate fully and promptly with any other request for information that the Secretary may make, particularly with respect to the achievement of expected program goals. Any foreseeable changes in project outcomes (such as job creation, sales, budget, scope, or schedule) should be reported promptly, with either a request for contract amendment or an explanation of why the grantee believes that no amendment is required.

If the Secretary determines that the for-Profit entity is unlikely to meet the minimum required sales and employment increases (or the exceptional benefits that warranted the grant), the Secretary may suspend the grant (including any payments pending), give both grantees notice and an opportunity to cure, or terminate the grant if the for-profit entity fails to provide clear and convincing evidence that the economic development requirements will be met. The Secretary's rights to suspend, condition or terminate the grant agreements are not exclusive and do not preclude other remedies, including but not limited to recouping previously paid funds if an applicant has made a material misrepresentation to the Commonwealth.



## **9. Contact Information**

For further information, please contact:

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